Budgets and Services Technical (business, finance) General, Federation

Budgets and Services



In light of today's service economy, it might seem strange that payment for services is not a legal budget category for the <u>cellular government's Earth Dividend</u> or <u>consumption tax</u> revenue. Neither are they legal for enterprises with an outstanding <u>Citizen Investor</u> loan.

Private businesses that use <u>VIP-enforced budgets</u> will see line items for arbitrary services flagged by default. They cannot be <u>earmarked</u> and must be paid from a <u>miscellaneous account</u>.

Why is this category so wrong? Because services and plural salary line items are conduits to corruption.

Labor is paid a certain amount per period, such as hourly, bi-weekly, or monthly. Labor is a valid line item because the amount, the quantity, and the job description are verifiable and comparable. Goods are valid line items because they have a verifiable and similar price. However, line items like salaries (plural) and services (plural) are neither comparable nor verifiable.

Services that can be quantified are not illegal in government budgets. For instance, an exterminator's monthly payment of \$200 is acceptable. However, a line item for exterminator services that does not specify a period is illegal.

How can governments handle variable expenses if they cannot be budgeted? There are several methods.

The most common is to use the insurance model for all variable expenses. Regular premiums are charged to an insurance company or a guild of workers in a specific profession. For instance, paying \$100/month for plumbing insurance to a plumber's guild is a legal budget line item, provided those plumbers agree to fix any problem that arises for no additional charge.

Sharing a plumber with other businesses or governments is valid, provided the financial obligations of each are well-defined. Even with plumbers, electricians, and similar skilled professionals on staff, variable material expenses exist.

Material expenses can be handled using the same insurance model. For instance, a plumbing supply company agrees to provide the materials requested by a <u>certified</u>

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plumber on staff for a fixed charge of \$50/month. The quality of materials provided is specified in the insurance contract.

A cellular government can call on direct democracy for unexpected significant expenses. A 2/3 plurality of the dominion can ratify a budgeted consumption tax.

<u>Holding accounts</u> contain non-budgeted Earth Dividend distribution money. Any funds that have not yet been budgeted can be budgeted for the unexpected expense.

Holding account funds in other departments can be transferred to the budgets of the department in need. See <u>Changes to Proscribed Allocations</u>.

For small expenses, a single miscellaneous account is allowed per budget. However, the miscellaneous account cannot exceed 1% of any budget, and a description must accompany any transaction.

The <u>council</u> can always call upon the <u>cellular aristocrat</u> to fund unexpected emergency expenses. They will rise to the occasion if they genuinely care about "their" dominion.

A startup holding a citizen investor loan, faced with an unexpected expense, does not have the luxury of appealing for a consumption tax or to an aristocracy.

The insurance model is best if the expense probability is known or the insurance provides blanket coverage.

The startup can appeal to the citizen investor for an additional loan. A member of the collective, such as a spouse who generally works in non-business-related activities, can seek employment elsewhere to pay off the expense.

Debt is allowed if the collective is sovereign or for sovereign members if not.